NABARD has also sanctioned additional short-term credit limits aggregating Rs. 272.54 crore for financing seasonal agricultural operations raising the total of such credit limits to Rs. 6475.56 crore to State Cooperative Banks (SCBs)/District Central Cooperative Banks (DCCBs) for the year 2002-03 (upto January, 2003) in the 18 drought affected States. The above packages of credit related relief measures are meant to be provided only to farmers affected by drought during Kharif, 2002. The facility of conversion of short term loans into medium term loans is, however, available to all farmers whose crops get damaged by natural calamities such as floods, cyclones, hailstorms, drought, etc. as per the extant guidelines of Reserve Bank of India (RBI).

Exemption to Primary Agricultural Credit Societies

1272. SHRI C.O. POULOSE: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that Government have exempted Primary Agricultural Credit Societies from Income Tax;

(b) whether it is also a fact that Government have notified these primary credit societies for filing the returns and for furnishing the details of the investors and their family members having a deposit of more than fifty thousand rupees; and

(c) if so, details thereof alongwith the reasons for such move?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) Section 80P of the Income-tax Act, 1961 allows 100% deduction to the amount of profits and gains of business of a co-operative society engaged in carrying on the business of banking or providing credit facilities to its members. There are no special provisions for Primary Agricultural Credit Societies in the Income-tax Act, 1961.

(b) and (c) Central Board of Direct Taxes have not issued any such notification. However, it is mandatory for any assessee having income exceeding the maximum amount not chargeable to income tax, to file a return of income in prescribed form and manner. However, an assessee can be required to furnish the details of the investment, during the course of assessment proceedings, by the Assessing Officer.